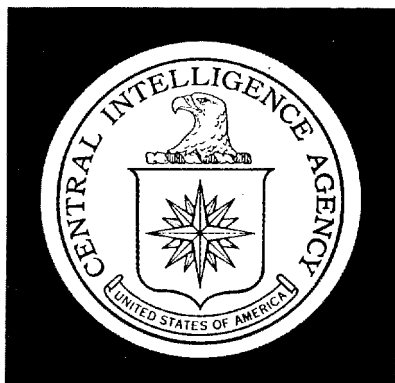


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# *WEEKLY SUMMARY*

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## EUROPE

The unpleasant realities of the Soviet occupation of Czechoslovakia and of Moscow's enlarged presence in Eastern Europe became more evident this week to many Europeans, both East and West.

The Soviets and their allies remained dissatisfied with the Prague regime as it continued to go its own way and failed to reimpose limits on Czechoslovak political behavior. Moscow, apparently close to losing its patience, seemed on the verge of using its military presence to oust top Czechoslovak liberals, impose a conservative regime, and repress any dissident opposition forces.

In the Balkans, the Rumanians and the Yugoslavs remain uneasy about Soviet plans for the area while the Bulgarians seem to have gained a new sense of confidence with the return of harder Soviet policies.

Soviet Marshal Yakubovsky, commander in chief of the Warsaw Pact, was on tour this past week, consulting with defense ministers and other leaders in Sofia, East Berlin, and Warsaw. The purpose of his trip possibly is to make general soundings prior to another Moscow-Prague confrontation.

West German and West Berlin nerves, already taut because of the Czechoslovak crisis, have been further tightened by what they consider to be menacing Soviet and East German propaganda, threatening to West Berlin and to West German access to the city. Chancellor Kiesinger seems certain to focus on this problem during his talks this weekend with President de Gaulle.

By late this week, 37 Communist delegations had arrived in Budapest for the third preparatory committee meeting of the World Communist Conference, only two less delegations than attended the second conference in June. Reportedly scheduled to begin 30 September, the meeting will almost certainly decide if the World Conference—planned for November and apparently still being pushed by Moscow—should be postponed, as proposed by several West European parties.

As Portuguese leader Salazar lingered in a coma, all reports indicated that President Thomaz has decided to name a former cabinet member, Professor Marcelo Caetano, as the prime minister's successor. This choice reassures those who want the authoritarian system to continue, but does not rule out some eventual liberalization of internal political and economic policies.

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## MOSCOW LOSING PATIENCE WITH CZECHOSLOVAK LEADERS

Moscow's forbearance with the stubborn Czechoslovaks may be coming to an end, and the Soviets could be on the verge of a move against liberal Czechoslovak leaders.

On 25 September, the Soviet Union implicitly charged Czechoslovakia's leadership with acting in direct contradiction to the Moscow agreement of 26 August and with supporting counterrevolutionary elements in the country. TASS, the official Soviet news agency, issued a statement sharply critical of the Dubcek regime for failing to remove from control of the news media the "same people" who before and after the invasion have been attacking the Communist Party, the Communist system, and the USSR and its allies. TASS implied that nothing was being done to control the anti-Communist "underground," which it claimed was perpetrating acts of terror and subversion, and was circulating illegal literature. The statement charged that the "truth" about such antisocialist activities had not yet been told to the Czechoslovak people.

Publication of the TASS broadside climaxed a rising crescendo of Soviet press criticism, and coincided with the repositioning of Soviet troops and armored cars in downtown Prague. It also came a few hours after the East German party's main daily, Neues

Deutschland, resumed personal attacks on Czechoslovak party chief Dubcek, alleging that he was not really a Communist but a "Social Democrat in the West German sense." The Polish press had for some days been printing charges of duplicity on the part of Czechoslovak leaders.

From their point of view, the Soviets have good reason for concern. The Dubcek regime has been daily trying to hold the Soviets to their promise of non-interference in domestic affairs, while at the same time it has been proceeding on a number of courses unacceptable to Moscow. Thus, while some liberals, such as former foreign minister Hajek, have resigned, the announcement of their departure has been coupled with news of the ouster of pro-Soviet officials.

Moreover, Prague has yet to accede to Soviet special envoy Kuznetsov's urgings to revamp the government. Indeed, President Svoboda is said to have threatened to resign, along with the entire leadership, if Moscow insists on such changes. The party presidium has instead recommended the resignation of all those--even at lower levels--who no longer enjoy the confidence of the people. Many such individuals are old friends of Moscow.

Prague has temporarily postponed some economic reforms, but in a manner clearly designed to put the onus on the Soviets.

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Czechoslovak economists are stoutly defending the government's decision to proceed with other aspects of the economic reforms--including the controversial workers' councils--in the face of attacks from Moscow. As planned before the invasion, non-Communists are to share in the management of social, economic, and "other processes," despite insistent demands from the occupiers for restoration of the Communist Party's control. Revised party statutes, which emphasize "democratization"--now synonymous to counterrevolution in the Soviet lexicon--will remain largely valid.

Censorship is ineffective and Premier Cernik has even defended the news media, adding that the government will not punish anyone for his political views. In addition, the Czechoslovak population seems intent on erecting a growing shield of acclaim to protect Dubcek from Soviet ire. Towns are being renamed in his honor, "Dubcek fan clubs" are springing up, and Dubcek pins are prominently worn.

Nevertheless, the Soviets 25X1 have withdrawn one of the three division's that moved into Czechoslovakia from Hungary.

### SOVIET PEOPLE QUESTION INTERVENTION IN CZECHOSLOVAKIA

The USSR's intervention in Czechoslovakia appears to have had a broad impact on the Soviet population. Reactions have varied, but the regime's inability to justify its policy in cogent and consistent terms has led many people to feel uncertain about their leaders' actions.

The liberal intelligentsia have been the most critical of

the invasion. Many liberals viewed the Czechoslovak example of reform as the future hope of Communism. Nationally minded elements among the Ukrainians, Balts, and other Western-oriented minorities, believing that their own hopes for greater independence from Moscow hinged on the success of the Czechoslovak experiment, have undoubtedly been similarly discouraged. Already bearing the

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brunt of an ideological crackdown begun last spring, however, these groups have made only weak attempts to demonstrate their disapproval. When they have done so, authorities have responded quickly with arrests and trials that effectively kept the protest movement from growing.

There is some evidence of support for the intervention, especially within the USSR's working class. Propaganda themes on the West German menace, the danger of losing Czechoslovakia to the West, and the Czechoslovak's ingratitude for Soviet sacrifices have found a response among some elements of the Soviet population.

Many people nevertheless are confused by shifts in the official line. One group of workers in Moscow, for example, would not believe that Dubcek--portrayed by Pravda after the invasion as a traitor--was taking part in the Kremlin talks until they were shown a favorable new reference to him in Pravda. During a month's travel around the Soviet Union, a British journalist found not one person who appeared convinced by the regime's propaganda. The average Russian was able to recognize that the Soviet press was not giving the full story. Similarly, an American studying in Moscow found Soviet students ill-informed and, in their confusion, suspicious that their gov-

ernment was guilty of something reprehensible.

Popular skepticism is probably reinforced by the jamming of foreign broadcasts in Russian, which was abruptly resumed after the invasion. The jamming has not been entirely effective, however, and even the Soviet news media have been forced to report some of the Czechoslovak people's opposition to the invasion. Thus, those who are observant have been able to learn about conditions in Czechoslovakia as well as the criticism voiced by Yugoslavia, Rumania, and the Western Communist parties.

The seeming inconsistencies of Soviet actions and the lack of any clear, high-level exposition of policy are probably the greatest causes of popular unease. No top Soviet leader has given a major address, published or unpublished, on Czechoslovakia since July. The newspapers indicate the leadership's concern by calling repeatedly for improved indoctrination of party members and the masses, but do not define a specific line. Although meetings organized from the Central Committee to the factory level gave unanimous approval to Brezhnev's April report and to the Bratislava agreement, there has been no such elaborate ritual to endorse the invasion or the subsequent Moscow agreement.

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## BALKAN COMMUNIST REGIMES ADJUST TO NEW REALITIES

The regime of Rumanian leader Ceausescu seemed more relaxed last week despite rumors of possible Soviet military intervention. The Yugoslavs, even as they try to divine Soviet intentions, are exchanging polemics with Moscow, while the Bulgarians sustain their strong support of Soviet policies.

The Rumanians are seeking to work out a new relationship with the Warsaw Five, with Ceausescu hoping to follow a policy of conciliating his allies while adhering to his own national Communist course. The Rumanian press continues to refrain from criticizing the Warsaw Five. It is publishing only brief factual reports on Czechoslovakia, and is stressing Bucharest's long-standing policy of "friendship with all."

The Rumanians undoubtedly are influenced by reports of a Soviet military build-up near the Rumanian border. Thus Bucharest's recent efforts to call attention to the danger of Soviet intervention probably are in part a pre-emptive tactic against the Russians.

At the same time, the Ceausescu regime recently announced the posthumous rehabilitation of the arch-Stalinist Vasile Luca. Several national Communists, most of whom appear to be Jews and ethnic Hungarians, also were rehabilitated. Luca's reinstatement can be considered a gesture to

Moscow, while the others seem designed to supplement Ceausescu's drive for closer party and national unity. He carried forward the drive this week on a speech-making tour through western Transylvania.

Yugoslav leaders are preoccupied with determining the USSR's future intentions. They are especially apprehensive about Bulgarian threats toward Macedonia and possible Soviet economic reprisals. Belgrade is already looking for further means to diversify its foreign trade. Deputy Premier Kiro Gligorov will arrive in the US on 27 September to discuss the expansion of bilateral trade. Meanwhile, Yugoslav military forces remain on alert, and the population has been warned to guard against attempts to split them along nationality lines.

Bulgarian party boss Todor Zhivkov went to Moscow on 16 September and concluded an economic aid agreement of considerable advantage to Bulgaria. Three days later, Soviet Marshal Yakubovsky, Warsaw Pact commander in chief, visited Sofia and later East Berlin and Warsaw, ostensibly to discuss "strengthening the Warsaw Pact." His visit aroused new apprehensions among Bulgaria's Balkan neighbors. Sofia has officially denied, however, that Soviet troops are stationed in Bulgaria and there is no evidence that Bulgarian troops have moved toward the Yugoslav and Rumanian borders.

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## USSR SUSTAINS TENSIONS IN BONN AND BERLIN

Soviet propaganda attacks are sustaining West German tensions already heightened by the Czechoslovak crisis. Izvestia has now warned against Bonn's "encroachments" on West Berlin and has repeated--in the face of Allied counterarguments--Moscow's claim that the UN charter and Potsdam agreements empower the Soviets to intervene in German affairs. The Soviet press has stressed the danger of a resurgent German militarism, but the charges included no specific threats and did not go beyond the position Moscow set forth in a memo to Bonn last July.

The tone of Moscow's propaganda seems more menacing in the wake of the Soviet intervention in Czechoslovakia, but the content suggests an effort to justify that move. Soviet propagandists continue to portray the invasion as a defensive move necessitated by sinister NATO designs and by the threat of West German "militarism and neo-Nazism." Moscow probably hopes to divert attention from the Czechoslovak issue, and perhaps also to help forestall the strengthening of NATO called for by Bonn.

Privately, Soviet diplomats have given assurances in the West that Moscow contemplates no moves against West Berlin. A Soviet Embassy officer in Berlin report-

edly told a West Berlin official recently that Moscow would not go beyond propaganda attacks in responding to Bundestag committee meetings in the city late in October or to the Christian Democrats' convention in early November.

Moscow has warned in the past that such demonstrations of Bonn's ties with Berlin are "provocative," but the Russian official indicated that only a plenary session of the Bundestag would exceed Moscow's tolerance level. Such a meeting is not now under consideration. He added that propaganda attacks would include the question of air access--the mode of travel most West German officials use in order to avoid East German harassment--and would be "sufficient to leave a permanent effect on Berlin morale," suggesting that they would be strident indeed.

None of the Soviet assurances, however, precludes action by the East Germans, who continue to intimate that they will take some unspecified action against West Berlin. The meeting in East Berlin this week between East German leader Ulbricht and Soviet Marshal Yakubovsky, chief of the Warsaw Pact, probably focused on the Czech situation, but Berlin could well have been discussed.

Both the Soviets and East Germans will be provided with an-

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other target for at least a propaganda barrage if the Berlin branch of the National Democratic Party, the "neo-Nazi" group especially odious to the Communists, holds its party congress in the city as planned on 18-19 October. The Allies are taking up the matter with the West Berlin Senat, hoping it will ban such a meeting so that direct Allied action is not required.

The West Germans are concerned over Communist intentions, but they are not contemplating any major concessions. Bonn leaders do not plan to cancel any of the meetings scheduled for the Bundestag committees and the Christian Democrats, but they share Allied reservations about allowing the National Democrats to meet in West Berlin.

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## DECLINING BIRTH RATE AROUSES SOVIET CONCERN

After relatively little change in the 1950s, the Soviet birth rate fell by almost one third during 1960-67. This downward trend is not likely to be reversed in the near future, and the regime may be forced to reconsider policies that encouraged the decline.

The Soviet birth rate dropped from 24.9 per thousand population in 1960 to 17.4 in 1967. This decline, combined with a small increase in the death rate, produced the lowest rate of population increase in the post - World War II period. The Soviet birth rate had exceeded that of the US in 1960, but since 1963 has remained below the US rate.

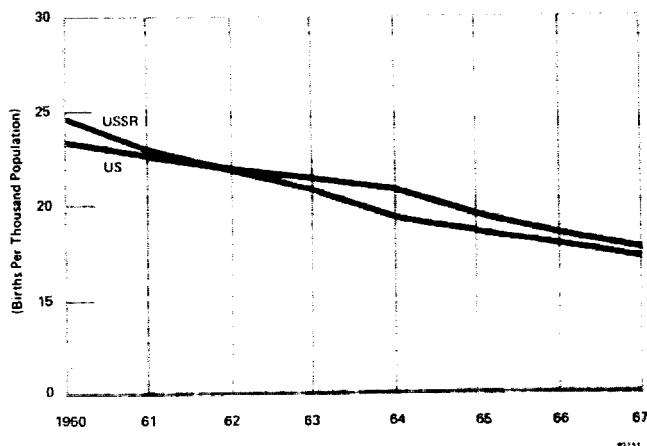
The most important cause of this decline is a trend toward fewer children per family.

In the Soviet Union, this results mainly from urbanization, greater employment among women, the shortage of housing and child care facilities, and a general shortage of consumer goods. The government, moreover, freely permits abortions, and since 1965 has made divorces easier to obtain. In addition, there has been a drop in the number of women in prime child-bearing ages (20-34 years), a result of the low birth rates during World War II.

The low birth rate is likely to continue well into the next decade. The number of women in the prime child-bearing ages will remain at about the current level until the mid-1970s. Moreover, the main influences on the drop in fertility, such as urbanization and the high rate of employment among women, may even intensify in the near future.

Soviet demographers, as a result, are concerned about the future supply of manpower and the Soviet Union's decreasing share of world population. Despite certain advantages in the short run--less strain on child care, educational, and housing facilities, for example--the declining birth rate means that in the longer run fewer persons will be reaching working age. After 1980, the number of people joining the labor

Birth Rates, USSR and US



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force will be increasingly offset by those reaching retirement age.

If the birth rate continues to decline, the USSR may have difficulties meeting its rising civilian and military manpower requirements. Faced with a serious manpower problem in the early 1960s, the regime reduced the size of the armed forces and the number of full-time students, and encouraged housewives to take jobs. Today, with a smaller army, increased emphasis on education, and a higher percentage of women already employed, the regime would find it more diffi-

cult and costly to mobilize new sources of manpower. The largest potential source for industrial and urban needs is the agricultural labor force, but large investments in farm mechanization would be required.

So far, Soviet leaders have not publicly voiced concern over the economic implications of the decline in the birth rate. If the decline continues, however, the regime might resort to changes in its policies affecting marriage, birth control, and the employment of women.

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## FAR EAST

Allied ground operations and B-52 attacks in South Vietnam continued to keep Communist forces off balance and to exact a heavy toll of enemy casualties and weapons losses. Even where Communist main force units managed to get themselves set for major ground assaults, they were beaten off, for the most part with heavy losses.

The enemy's inability thus far in this campaign to deal heavy blows to urban centers and allied military positions has been partially offset by his apparent continuing success in extending political control in large areas of the countryside. There is a growing body of evidence that so-called "liberation" or "revolutionary" administrations are being widely established, mostly at the village level. The Communists have also significantly stepped up their assassination program against government officials in the countryside.

The extension of the Communist political apparatus is aimed not only at helping mobilize resources for the current war effort, but also at strengthening the Communist position in the negotiation and implementation of any peace settlement.

In China, Chou En-lai seems to be making new moves to consolidate his authority over foreign policy, his exclusive preserve before the Cultural Revolution.

There will probably continue to be occasional aberrations, however, stimulated by militant Maoists in Peking, until the Cultural Revolution runs its course.

After the latest flareup, both Malaysia and the Philippines seem anxious to prevent further escalation of the Sabah dispute. A major stumbling block to the resumption of a dialogue is Malaysia's refusal to discuss further the Philippines' claim to Sabah. Another factor that will make it difficult to keep tensions within bounds is the tendency of leaders of both countries to play politics with the issue. Malaysia and the Philippines both have national elections next year.

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## VIETNAM

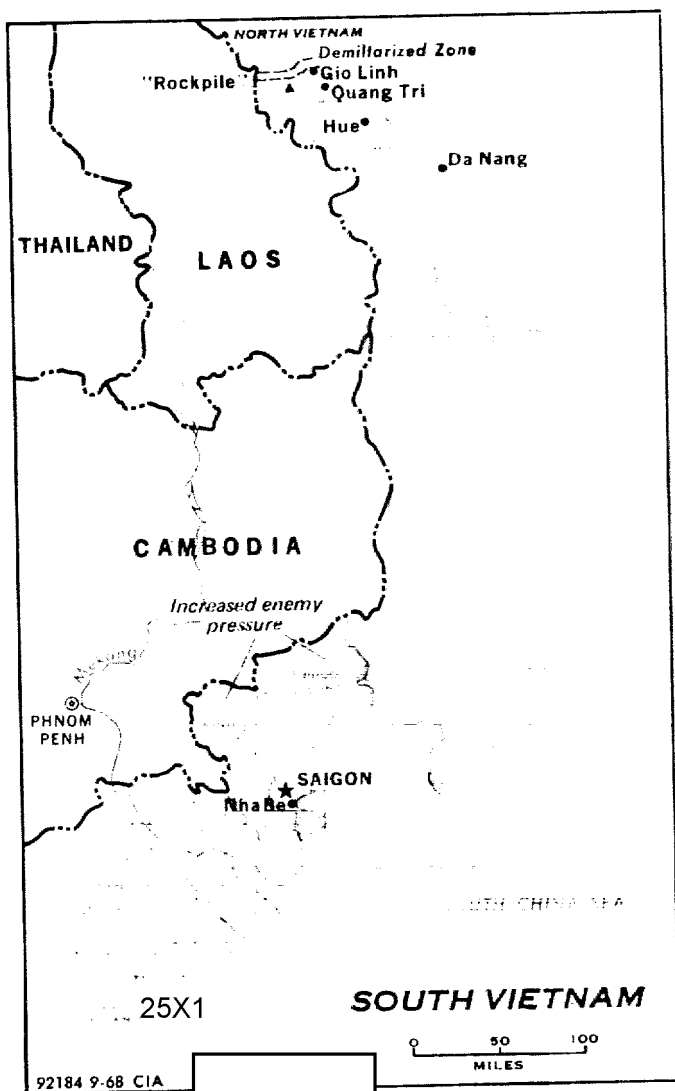
That phase of the current Communist offensive calling for large-unit attacks on allied strongpoints and urban centers continues to flounder in the face of allied spoiling operations and stiff defensive actions. The Communists, however, demonstrated that they remain near the urban centers of the country by

staging a series of rocket and mortar attacks throughout all four corps last week.

Enemy main force units, however, took heavy casualties in several ground engagements along the north-central coast from Da Nang to Binh Dinh Province. The impact of such casualties was reflected in a captured notebook that detailed the failure of the North Vietnamese 21st Regiment to draw defenders away from Da Nang. Battalion-sized or larger North Vietnamese units also lost heavily during unsuccessful assaults against allied targets of secondary importance in Tay Ninh Province, northwest of Saigon.

Although the North Vietnamese have the equivalent of three divisions in the Demilitarized Zone area, allied spoiling operations have effectively stymied their efforts to get in position for an offensive, dealing them heavy losses in terms of both personnel and supplies. In the eastern Demilitarized Zone area, for example, South Vietnamese Army forces this week reportedly killed more than 100 members of the North Vietnamese 27th and 138th regiments, raising collective casualties to these regiments in the Gio Linh sector to 350 killed since 13 September.

Meanwhile, along the western anchor of the Demilitarized Zone, the discovery this week of a mass grave with more than 200 enemy bodies provided further evidence of the effectiveness of



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B-52 strikes in disrupting planned activity by the North Vietnamese 320th Division near the allied strong point at the "Rockpile."

Moreover, in the past two weeks alone, the allies have captured more than 1,000 weapons and 136 tons of munitions during sweep operations along the formerly neutral buffer zone--enough to equip an enemy regiment for several months.

Allied spoiling operations have also undercut the enemy's capability to mount a sustained offensive along the northern coastal plains from Hue to Quang Tri city.

In addition, the damaging effects of recent heavy rains and flooding from Typhoon Bess have made the enemy's already critical rice shortage still worse as well as causing widespread sickness among his troops and destroying many of his fortifications.

In the III Corps area, major elements of three Communist divisions have been generally unsuccessful in their campaign to weaken Saigon's defenses by forcing large-scale allied deployments to secondary targets under siege in the outlying provinces. The increased enemy presence in Tay Ninh and Phuoc Long provinces, however, has worsened the security situation there and further eroded the pacification programs. The

Communists this week made their first rocket attack in more than a month against a major target in the Saigon area--the allied fuel storage depot at Nha Be. There is still no hard evidence of the anticipated large-scale enemy troop movements along infiltration corridors leading to the capital.

#### South Vietnamese Political Developments

In the political war, enemy propaganda claims that a vigorous effort is under way to extend a new Communist administrative apparatus over much of South Vietnam are substantiated to some extent by a growing volume of evidence that so-called "liberation" or "revolutionary administrations" are being established in the countryside, mostly at the village level. Some "liberation committees" are being appointed by Communist fiat while others are being established through carefully supervised elections.

This program is accompanied by a stepped-up Communist assassination campaign designed to weaken the local leadership capabilities of the Saigon government. The Viet Cong have killed twice as many local officials during the first half of 1968 as they did during the same period of 1967.

The new administrations are intended to help mobilize Communist resources in South Vietnam for the current war effort, and to legitimize Communist claims

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to actual control of and support by large segments of the population. Looking beyond these immediate objectives, the Communists clearly expect this apparatus to strengthen their position in any negotiated settlement of the war.

For its part, the government in Saigon is being spurred by the prospect of post - cease-fire political competition with the Communists to try to strengthen its position in the countryside. The new progovernment front, the Lien Minh, is being organized with this in view. The organizers, however, are typically focusing their first efforts on Saigon rather than on the countryside.

The Lien Minh has trained the first 300 of its planned 900 cadre, and is beginning to move ahead with its social welfare program in eight of Saigon's nine precincts. The new cadre are to form people's committees in each precinct to plan and supervise welfare action. Two such committees have reportedly been formed and are to be announced soon.

Although most Lien Minh activity has been centered in Saigon so far, the front's leadership hopes to have enough new cadre by the end of the year to place them in about ten provinces and outlying cities where the need to develop new popular support is the greatest.

Meanwhile, President Thieu remains concerned about the danger of political intrigue within his government, despite his success in strengthening his position in recent months.

Thieu reacted quickly to coup rumors that circulated on 8 September but were subsequently proved unfounded. To lessen the chances of any coup, he may have ordered the recent troop shift in the Saigon area in which Marine units, commanded by a supporter of Vice President Ky, were replaced by Ranger units.

Although there appears to be little serious threat at present of a coup attempt, Thieu seems aware of the potential danger of political intrigues and is taking timely steps to check it.

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## PHILIPPINES MOVES TO EASE RENEWED TENSION OVER SABAH

Philippine President Marcos, apparently alarmed by Malaysia's strong response to Philippine legislation referring to Manila's sovereignty over Sabah, has sought to halt further escalation of the dispute.

The Philippine Foreign Ministry is reported to be exploring the possibility of ministerial talks preliminary to a summit meeting between Marcos and Malaysian Prime Minister Rahman. A Malaysian Foreign Ministry spokesman, commenting on such talks, said that Malaysia is willing to talk about easing tensions, but reiterated that it will not further discuss the Sabah claim.

Although Marcos sent an explanatory letter to Rahman when he signed the Philippine bill on 18 September, he failed to affirm Philippine recognition of Malaysian sovereignty over Sabah, as had been requested by Kuala Lumpur. Rahman's immediate response was to announce that Malaysia would withdraw its diplomatic staff from Manila.

Rahman also announced the abrogation of an antismuggling agreement between the two countries, and requested Manila, to which the agreement is economically important, to withdraw its customs officials stationed in Sabah. Any Malaysian move to expel the officials would further aggravate relations. [REDACTED]

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## DISAGREEMENTS IN PEKING HAMPER FOREIGN MINISTRY

Efforts to improve China's image abroad are proceeding despite continuing political turmoil and policy differences in Peking. In terms of the shifting power balances in Peking, there is little doubt that Premier Chou En-lai is making new moves to consolidate his authority over Chinese foreign policy--once his exclusive responsibility--and to counter attempts by militant Maoists to interfere.

The Foreign Ministry is re-asserting the markedly less provocative foreign propaganda line it ordered last spring.

and chauvinistic tone, suggesting successful, if brief, opposition in Peking to the moderate line associated with Chou. A typical New China News Agency broadcast of that period lauded the application of Mao's thought in the "Asian, African, and Latin American regions" and stated that "revolutionary peoples throughout the world" should study Mao and "apply his military theories in their country."

Even though Chou appears to have regained control over propaganda policy, he faces other obstacles in his attempt to reassume full control of foreign affairs. Although militant "revolutionaries" no longer dominate the Foreign Ministry as they did in the summer of 1967, continuing factional turmoil within the ministry has almost certainly disrupted lines of authority.

Almost all Chinese ambassadors were recalled to Peking nearly two years ago for political indoctrination, and they still remain there.

Under these circumstances, a general "normalization" of Chinese foreign affairs cannot be expected until the Cultural Revolution runs its course and the political struggle in Peking subsides.

In early August, however, Peking's propaganda temporarily reverted to an extremely militant

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## MIDDLE EAST - AFRICA

The Arab-Israeli confrontation moved back into the UN spotlight, with both sides trying to line up support. The USSR's warning to Israel on 25 September is an effort to make propaganda noises on behalf of the Arabs. The Soviets have given the US a peace plan for the Middle East which closely adheres to the Arab bargaining position. Moscow's aim is to put pressure on Israel to forgo insistence on direct negotiations with the Arab states and to agree to a troop withdrawal as a first step in any settlement.

In Greece, the referendum on the draft constitution which takes place on 29 September is expected to be very favorable. The regime has gone all out to ensure positive endorsement and a large voter turnout. In any event, the plebiscite does not offer the voter a choice, but only affords a chance to approve what is already effectively in being. The timing of the King's return from exile is still uncertain.

King Mahendra of Nepal has again reshuffled his cabinet in what amounts to a periodic exercise to balance contending political interests and personalities rather than a forecast of significant policy changes. He retained his prime minister and named the deputy prime minister as permanent representative to the UN, where Nepal anticipates election to the Security Council this year.

Black Africans are smarting over what they consider discriminatory treatment by their Arab hosts at the recently concluded Organization of African Unity summit meeting held in Algiers. A member of the delegation from Congo (Kinshasa) told a US official that the "ill-concealed racism" they experienced at the meeting will "not be forgotten by blacks."

The Nigerian federal military campaign is pushing the Biafrans to the wall, and there are indications that some Biafrans are thinking of giving up. There are no signs, however, that Biafran leader Ojukwu is willing to surrender.

In Sierra Leone, animosities between the country's two tribally based political parties are increasing as important parliamentary by-elections approach. Serious political violence erupted last weekend in the south when supporters of Prime Minister Stevens apparently attempted to disrupt a mass meeting of the opposition Sierra Leone People's Party.

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## MOUNTING CASUALTIES MAY PROVOKE ISRAELI RETALIATION

Border incidents, almost wholly along the Israeli-Jordanian border this week, continue to plague the Israelis. Tel Aviv has shown unusual restraint, however, in the face of accumulating Israeli casualties suffered on the Egyptian and Jordanian borders over the past month, and retaliatory strikes cannot be ruled out.

The Israeli-Jordanian border remained the hottest area this week, with two or three incidents reported each day. Arab guerrillas on 19 September caught an Israeli patrol by surprise, and in the ensuing battle six Israelis were killed--including a lieutenant colonel and a major.

The Suez Canal area was relatively quiet, although Israel complained that the Egyptians ambushed an Israeli patrol on the east bank on 22 September and wounded an Israeli soldier. The Egyptians continue to cross the canal and plant mines, and their forces remain trigger happy, but there has been no repetition of the five-hour artillery duel of 8 September. The quick and heavy Egyptian, artillery reponse along the length of the canal at that time led the Israelis to charge that the Egyptians, with Soviet encouragement, were engaged in a new policy of harassment.

Israeli casualties are increasing, but Tel Aviv to date has not, as in the past, mounted a strong retaliatory strike. Now celebrating the New Year holy days until 2 October, Israel is apparently content at present to concentrate on its case in the United Nations. It is almost a certainty, however, that sooner or later the Israelis will mount a major strike against Egypt and probably also against Arab terrorist centers in Jordan.

Arab nervousness over an eventual Israeli strike remains high.

Meanwhile, efforts are again under way at the United Nations to try to get some forward movement on a Middle East settlement. Despite the long and continuing efforts of the Jarring mission, the Arabs and Israelis, though proclaiming a desire for peace, remain stalled on procedural questions and have barely touched on the substance of a settlement.

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## TUNISIA SENTENCES STUDENT AGITATORS

The Bourguiba regime has cracked down hard on dissidents among Tunisia's university students and faculty by meting out relatively long prison sentences to the ringleaders. The authorities, however, suppressed much of the evidence linking the agitators to the French Communist Party and the USSR.

As a result of an investigation of student disorders last March, 134 students and teachers were charged with conspiracy against the security of the state and were brought to trial this month before a recently established Security Court. Some 15 of the defendants were university hangers-on with long records of anti-regime activities and the somewhat remote goal of organizing the overthrow of the government. Another 34 or so were dedicated to Marxist-Leninist, Maoist, or anarchist movements and were activists in fomenting disorders. The rest had played minor roles such as circulating Marxist literature or attending some dissident meetings.

A hard core of ten of the agitators were given 5 to 14 years of imprisonment in sentences

handed down on 16 September. The cases of 18 accused Baathists were held over, and the remainder were given lighter sentences--some suspended--or were acquitted. 25X1

These same student leaders also fomented the student disorders of February 1965 and December 1966, provoked the anti-Jewish and anti-US/UK riots of June 1967, and masterminded the unsuccessful demonstrations in January 1968 during Vice President Humphrey's visit. 25X1

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## NIGERIAN FEDERAL TROOPS CLOSE IN

Federal military forces are continuing to move on the Biafran capital of Umuahia, despite strong counterattacks and heavy casualties. Some Biafran political leaders are apparently urging immediate surrender in order to prevent general anarchy and to preserve some freedom of maneuver in negotiations with Lagos, but Biafran leader Ojukwu shows no signs of a willingness to quit.

Barring a sudden Biafran surrender, federal forces will take at least a month and possibly much longer to occupy the remaining Biafran-held territory. Biafran defenses in the Onitsha area have continued to thwart every federal effort to move south or to open the road east to Awka. Although federal troops have now captured the airstrip at Obilago, the Biafrans still are using the Uli-Ihiala field and may be using two other newly improvised strips near Orlu and Umuahia.

The Biafrans have long insisted that, in order to negotiate a settlement with Lagos, they must receive sufficient guarantees that federal troops will not slaughter Ibos. Lagos, as a partial response to this need and also in an attempt to reassure world opinion that it is not bent on a policy of genocide, has invited the UK, Canada, Sweden, Poland, the Organization of African Unity, and the UN to send observers to witness the conduct of federal troops toward the Ibos.

Thus far, Canada, the UK, and Sweden have responded, dispatching senior military officers, and U Thant has sent a personal representative. The group has met with Maj. Gen. Gowon and intends to visit several battle fronts in the near future. Unless these observers are considerably augmented by others, however, they will undoubtedly miss many of the frequent violations of the federal "code of conduct" being committed by federal troops.

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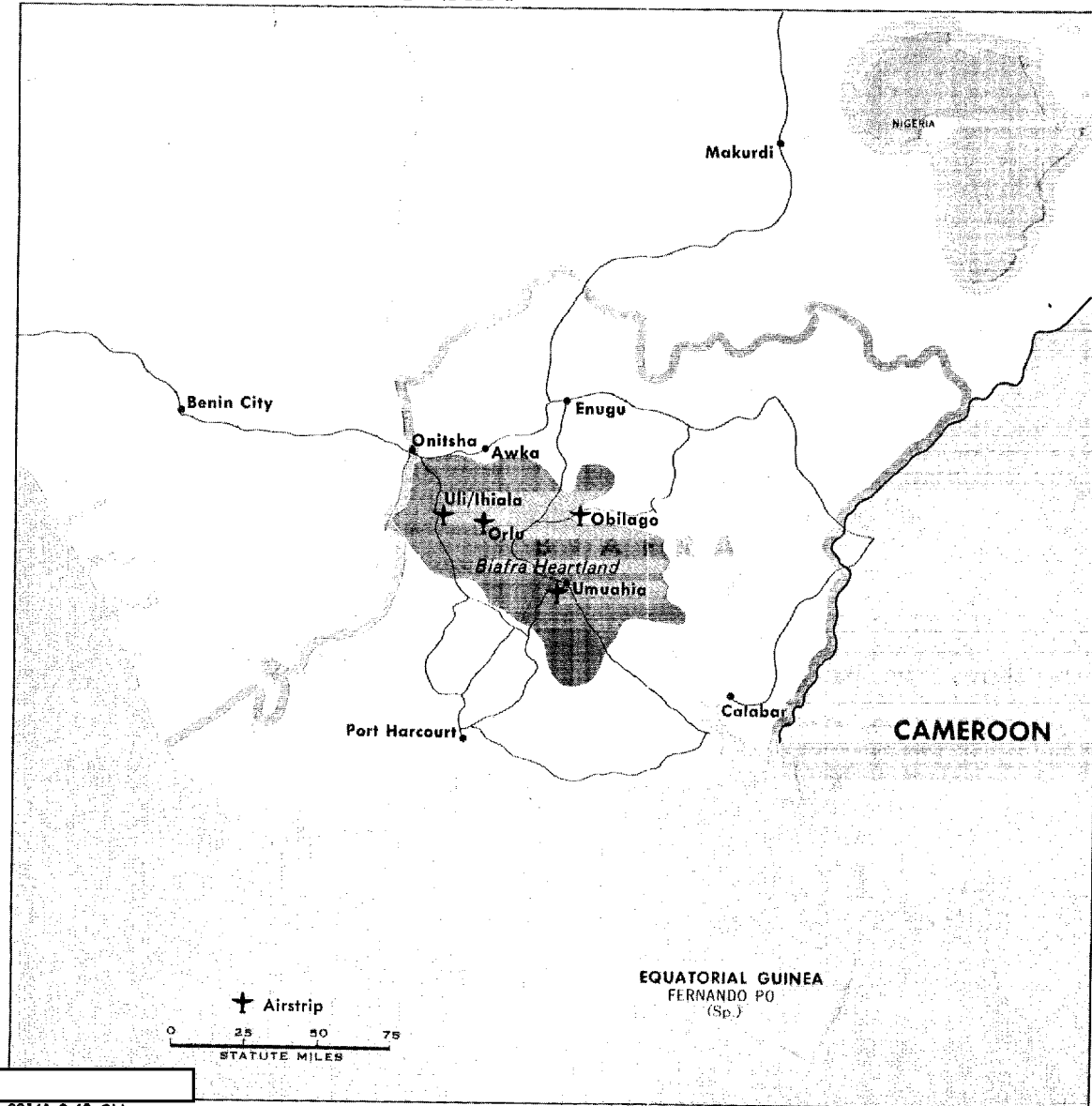
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## SOUTHEASTERN NIGERIA



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## RHODESIA LEAVES DOOR AJAR FOR NEGOTIATIONS

Having won acceptance of his constitutional proposals by a slim margin at the recent Rhodesian Front party congress, Prime Minister Ian Smith moved last week to reassert his leadership within the party and to squelch an incipient right-wing revolt.

Smith exhorted party dissidents to leave the front if they did not agree with party policies, and at least two outspoken critics of the leadership were expelled by the party's standing committee. Smith's decisive action, plus his call for unity, seems to have had the desired result: a right-wing effort to reconvene the party congress fizzled and most of the dissidents backed off from their earlier threats to resign.

The complex constitutional proposals, which caused the recent acrimony, call for a two-stage transition. During the first phase, Africans would retain approximately their present representation in an "interim" parliament--15 seats in a house of 65. The second stage, to be implemented about five years later, would set up three provincial parliaments--two for Africans--and a national parliament so designed as to end any pretense of eventual majority rule.

Smith's right-wing opponents want to bypass the first stage and institute the second as soon as possible. They also want to proclaim Rhodesia a republic and avoid negotiations with London which they fear would result in a "sell-out" of white interests and control. Smith, however, still hopes for a negotiated settlement, on Rhodesian terms, and knows that any step curtailing African parliamentary representation would make negotiations that much less likely.



Prime Minister Ian Smith

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Smith's constitutional changes and a proposal to proclaim the country a republic will be put to a referendum, possibly later this year.

Meanwhile, Commonwealth Assistant Undersecretary Lord Bottomley met with Smith on 22 September in Salisbury for exploratory talks, but prospects for the early resumption of negotiations appear dim. The main stumbling block continues to be the lack of agreement over adequate constitutional safeguards for Africans. Britain wants an arrangement whereby Africans would elect their own representatives to one fourth of the seats in parliament. London also wants a provision allowing for the right of ultimate appeal

to the British Privy Council on any constitutional amendment that discriminates unjustly between races or contravenes human rights.

Although Smith is under increased pressure from Rhodesia business interests to reach a settlement, he probably cannot accept Britain's present terms without breaking with most of his own party.

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### WIDESPREAD LABOR UNREST IN INDIA

Smoldering labor unrest in India recently has erupted in a series of disruptive local and national strikes. Leftist union leaders are in the forefront of the current agitation, which centers on a plethora of legitimate grievances.

Last week, New Delhi took the strongest possible measures to defuse a long-planned one-day strike by about three million civil servants. Stern warnings, legal maneuverings, and repressive police measures prevented massive disruption of

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governmental activities; about 10,000 strikers were arrested, hundreds wounded, and a number of persons killed. Most government operations have now returned to normal, but a residue of bitterness remains. One strike leader has warned that last week's confrontation was "only the beginning of a long-drawn-out struggle."

Some state governments have also been plagued with similar problems. Last summer, about 400,000 employees of Madhya Pradesh State illegally walked off their jobs for almost two weeks, and 200,000 state employees in Bihar defied a ban on strikes by staying out for 15 days. Widespread unrest is evident among large sections of other white-collar workers.

Industrial relations are also seriously aggravated in many areas. Last year was clearly

the worst for industrial peace since independence, with nearly ten million man-days lost because of disputes. New Delhi's reaction has been one of anguish, but there has been little determined effort to resolve the difficulties.

At the heart of the massive labor problem are a steady inflationary rise in prices, union rivalries, the unsettled political situation in many areas, and spiraling unemployment. Hardest hit are the white-collar and professional workers, who are among the most aggressive in pressing for wage increases. Students, viewing the increasing numbers of educated unemployed and the decline in job vacancies, are also dismayed and restive.

An upturn in the economy may ease--but will not fully resolve--the turbulent labor situation.

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## WESTERN HEMISPHERE

Students once again held the spotlight in Latin America this week.

The Mexican student crisis has grown increasingly violent with gun battles between the strikers and police occurring almost daily. The government is plainly determined to use as many troops and as much force as needed to ensure the safety and immunity of the competitors in the forthcoming Olympic games, many of whom are already in Mexico.

Student disorders in Bolivia late last week took a violent turn. On 19 and 20 September, students in La Paz attacked the National Guard with dynamite, Molotov cocktails, and small-arms fire; several guard members were wounded.

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In Uruguay, violence associated with student and labor disorders was held to a minimum by the security forces. All schools have been closed until 15 October in an attempt to cool the situation, and President Pacheco expelled three Soviet diplomats on 24 September in hopes that the Russians, fearing further reprisals, will press the local Communist Party to end the agitation.

The tempo of political activity in Panama has picked up now that President-elect Arias is back from his three-week trip abroad and there are only a few days left before inauguration day on 1 October. Arias' plans to make shifts in the powerful National Guard are meeting resistance from guard commandant Vallarino, who is resisting pressure to step down.

Argentina has purchased an aircraft carrier of World War II vintage from the Dutch as part of its European-oriented military acquisition program. The navy will probably recover part of the \$3.2 million purchase price by selling its present carrier for scrap. The new carrier will not significantly increase Argentina's naval strength, but the purchase is likely to draw sharp reaction from Chile, which has interpreted military acquisitions by some of its neighbors as evidence that they are engaged in an arms race.

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## HONDURAN GENERAL STRIKE BROKEN

The Honduran Government has successfully broken a general strike, but only at the expense of further alienating the labor movement. The strike, which began on 19 September, was in part a protest against the implementation of taxes endorsed at the Central American summit meeting last July.

Before the movement could gain any real momentum, the administration suspended constitutional guarantees, closed down the opposition press, and issued bulletins attributing the strike to Communist instigation.

Rank-and-file union members were without any real leadership as key labor chiefs were arrested and secondary officials kept on the run. Workers began drifting back to their jobs as early as 21 September. A feeble student solidarity demonstration in the capital on 23 September was dispersed by security forces using tear gas.

Since the blatantly rigged municipal elections in March,

union leaders had been conducting a low-key campaign for economic and political reform. The unpopularity of the recent tax hikes on consumer goods, which led to excessive price increases by merchants, may have convinced the unions they would have public support for more militant tactics. The outcome, however, has almost certainly reduced the prospect of any meaningful dialogue between government and union leaders.

The strike may have repercussions in other Central American countries that have imposed similar taxes under the provisions of the San Jose Protocol, a pending treaty to strengthen the Central American Common Market. The protocol, which is essentially aimed at curbing imports from outside the area, authorizes internal tax increases on consumer goods. The treaty still has not been ratified in El Salvador and Costa Rica, and the events in Honduras could strengthen political opposition to the treaty and slow the pace of integration.

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## URUGUAY MOVES AGAINST AGITATORS

Student and labor disorders are continuing in Uruguay in the wake of last week's fatal shooting of two students by police.

The Communist Party organized a fairly effective general strike on Tuesday to protest the deaths, but no serious violence occurred.

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The government is showing an increasing disposition to deal firmly with the agitators. President Pacheco has closed the schools until 15 October, and has ordered the press to censor all reports of violence and to refrain from publicizing union calls for strikes. He is also considering using military personnel to run vital services, such as transportation systems, should further strike activity disrupt normal operations.



TYPICAL STUDENT DEMONSTRATION IN MONTEVIDEO

In addition, Pacheco has expelled three key members of the large Soviet Embassy in Montevideo, which he holds responsible for much of the trouble. He probably hopes for a repetition of developments in 1966, when the embassy--after four of its members were ousted--acted to restrain agitation by the Moscow-oriented Communist Party. His action also contains a veiled threat that diplomatic relations could be broken if disorders do not cease.

Recently, however, the pro-Moscow Communists have lost some leverage with the workers and even more with the students. Despite some Communist efforts to

keep agitation below the level that might provoke the government into outlawing the party, radicals within the party and from other leftist extremist groups have been able to provoke serious violence. More disorders are likely. Communist efforts to respond to Soviet pressure for calm will probably increase tension between the party and the other leftist extremist groups that are not responsive to Moscow and do not want to see the level of violence subside. Even if the Communists are successful in arranging a temporary halt, which appears improbable at this point, the long-range prospects for calm are not good.

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## VIOLENCE GROWS IN MEXICAN STUDENT CRISIS

The hard position on both sides, evident in the almost daily violence between students and police, have dimmed prospects for quieting the students before the opening Olympic ceremonies on 12 October.

The government is, however, fully determined to use as many troops and as much force as needed to ensure peace during the games. Any school being used as a center for subversive activity will be occupied by troops.

Although the government has failed to stem the crisis, its tough action against the demonstrators has at least made it difficult for students to assemble and plan strategy. As students have banded in smaller groups, however, they have made increasing use of guns and Molotov cocktails, and have provoked more damaging confrontations with the authorities. At least

15 are reported dead, large numbers are wounded, and about 2,000 persons have been arrested. The strike movement also has spread to other areas of Mexico. Two provincial universities reportedly are occupied by army troops.

There are vague rumors that some former government officials are involved in the current disturbances.

The current rumors and insecurity in the capital, following the electoral scandals earlier this year, have added significantly to the stresses on and within the political establishment.

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## POLITICAL TENSIONS RISING IN PERU

Dissatisfaction over the government's recent settlement with the US-owned International Petroleum Company (IPC) is increasing political tensions and giving rise to rumors of military plotting. Opposition centers on the sections of the agreement that permit the IPC to retain its refinery at Talara and to operate the nationalized La Brea y Parinas oil fields free of charge until the government takes them over in January.

The president of the state petroleum company has resigned in protest against the settlement. His resignation and subsequent charge that the final page of the signed agreement, which he allegedly added himself, was missing have prompted vociferous opposition to the settlement by leftist and nationalistic elements.

The armed forces, led by army commander and chairman of the joint chiefs General Velasco, have used this dispute as an opportunity to renew pressure on the Belaunde administration, which has prompted rumors of coup plotting.

The opposition APRA party, expecting to win the general elections next year, has the most to lose from a military

coup and has taken steps to ease the controversy. Both houses of Congress have passed APRA-sponsored legislation recommending an immediate takeover of the oil fields, IPC payments for the oil extracted since the signing of the agreement on 13 August, and a gradual nationalization of the country's oil refineries. To further deter any move against the Belaunde administration, a top APRA leader has directed party members to offer open resistance to any attempt made against the government.

The President's own party has been much less helpful. In a televised speech, its presidential candidate, Edgardo Seoane, declared that he would withdraw his support from the government unless the entire agreement was nullified. President Belaunde reacted to this by calling for a reorganization of the party. Belaunde appears to have the backing of the more powerful party members and most of the congressional bloc. In addition, pro-Belaunde party members have opened talks aimed at concluding an electoral pact with the Popular Christian Party. That party's leader, Lima's popular mayor, Luis Bedoya Reyes, is viewed as the likely presidential candidate if such an alliance is formed.

A coup appears unlikely at the present time

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## GUATEMALAN MILITARY GROWING RESTIVE

Guatemala's armed forces are increasingly dissatisfied with Defense Minister Chinchilla and the administration's vacillation on how to handle violence by Communists and extreme rightists. There is no evidence of coup plotting thus far, but a move in that direction is increasingly likely.

Colonel Carlos Arana, the former commander of the powerful Zacapa Brigade who was sent into exile as ambassador to Nicaragua following the command shake-up last March, recently stated that a coup may be the only solution to the chaotic political situation. Arana added that "powerful forces" in Guatemala have about reached the end of their patience in waiting for the government to take effective action against the Communists.

Arana's statements may have been prompted by a report that President Mendez last week issued instructions to kill Oliverio Castaneda Paiz, leader of the

3,000 rightist counterterrorists in Zacapa. The decision to eliminate Castaneda may have been taken because his men killed 12 peasants on 15 September in retaliation for the murder of a rightist leader two days earlier. This circle of continual retaliation by extremists of both sides is keeping the level of violence high.

In addition, military leaders will consider a move against the right as a threat to them. They organized the rightists almost two years ago, as part of the government's clandestine extralegal campaign against the Communist insurgents. In the capital, a fire apparently set by arsonists on 23 September caused half a million dollars damage to customs warehouses. Preliminary reports suggest that the blaze was set by the Communist Party to mark the anniversary of its founding.

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